
A BILL FOR AN ACT

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 88-96, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Any member who ceases to be an employee and who
4 became a member before July 1, 2012, and has fewer than five
5 years of credited service, excluding unused sick leave, or who
6 becomes a member after June 30, 2012, and has fewer than ten
7 years of credited service, excluding sick leave, shall, upon
8 application to the board, be paid all of the member's
9 accumulated contributions and the member's membership shall
10 thereupon terminate and all credited service shall be forfeited;
11 provided that a member shall not be paid the member's
12 accumulated contributions:

13 (1) If the member becomes an employee again within fifteen
14 calendar days from the date the member ceased to be an
15 employee; or

16 (2) If, at the time the application for return of
17 accumulated contributions is received by the board,
18 the member has become an employee again.



1 Regular interest shall be credited to the former employee's
2 account until the former employee's accumulated contributions
3 are returned to the former employee; provided that the former
4 employee's membership shall not continue after the fourth full
5 year following the calendar year in which the individual's
6 employment terminates. Upon termination of the former
7 employee's membership, the former employee's credited service
8 shall be forfeited and, if the former employee's accumulated
9 contributions are \$1,000 or less at the time of distribution,
10 the system shall return the former employee's contributions to
11 the former employee. If the former employee does not become an
12 employee again and if the former employee's accumulated
13 contributions have not been withdrawn by the former employee or
14 previously returned by the system to the former employee, the
15 system shall return the former employee's accumulated
16 contributions to the former employee as soon as possible after
17 the later of: (A) the former employee [attains] attaining age
18 sixty-two[-]; or (B) the termination of the former employee's
19 membership."

20 SECTION 2. Section 88-341, Hawaii Revised Statutes, is
21 amended as follows:



1 1. By amending subsection (a) to read:

2 "(a) Any class H member who ceases to be an employee and
3 who became a member before July 1, 2012, and has fewer than five
4 years of credited service, excluding unused sick leave, or who
5 becomes a member after June 30, 2012, and has fewer than ten
6 years of credited service, excluding unused sick leave, shall,
7 upon application to the board, be paid all of the former
8 employee's accumulated contributions, and the former employee's
9 membership shall thereupon terminate and all credited service
10 shall be forfeited; provided that an individual shall not be
11 paid the individual's accumulated contributions if either:

12 (1) The individual becomes an employee again within
13 fifteen calendar days from the date the individual
14 ceased to be an employee; or

15 (2) At the time the application for return of accumulated
16 contributions is received by the board, the individual
17 has become an employee again.

18 Regular interest shall be credited to the former employee's
19 account until the former employee's accumulated contributions
20 are withdrawn; provided that the former employee's membership
21 shall not continue after the fourth full year following the



1 calendar year in which the individual's employment terminates.
2 If the former employee does not become an employee again and has
3 not withdrawn the former employee's accumulated contributions,
4 the system shall return the former employee's accumulated
5 contributions to the former employee as soon as possible after
6 the later of: (A) the former employee ~~[attains]~~ attaining age
7 sixty-two[-]; or (B) the termination of the former employee's
8 membership."

9 2. By amending subsection (c) to read:

10 "(c) In case of the death after the termination of service
11 and prior to retirement of any former class H member who has not
12 withdrawn the member's contributions, there shall be paid to the
13 former member's estate or to the person ~~[as]~~ that the former
14 member has nominated by written designation duly executed and
15 filed with the board ~~[if either]~~:

16 (1) The former ~~[member had less than five years of~~
17 ~~credited service at the time of death, the former]~~
18 member's accumulated contributions ~~[-or]~~, if the
19 former member became a member before July 1, 2015, and
20 had fewer than five years of credited service at the
21 time of death or if the former member became a member



1 after June 30, 2015, and had fewer than ten years of
2 credited service at the time of death; or

- 3 (2) The former [~~member had five or more years of credited~~
4 ~~service at the time of death, the former~~] member's
5 hypothetical account balance[~~-~~], if the former member
6 became a member before July 1, 2015, and had five or
7 more years of credited service at the time of death or
8 if the former member became a member after June 30,
9 2015, and had ten or more years of credited service at
10 the time of death."

11 SECTION 3. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 4. This Act shall take effect on January 7, 2059.
14



Report Title:

Employees' Retirement System

Description:

Provides for vested death benefits for Hybrid members who become members of the Employees' Retirement System after June 30, 2015; extends period for mandatory refund of contributions to the Employees' Retirement System. Effective date 1/7/2059. (SD1)

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